Small and medium-sized enterprises (SMEs) and entrepreneurs have been hit hard during the COVID-19 crisis. Policy responses were quick and unprecedented, helping cushion the blow and maintain most SMEs and entrepreneurs afloat. Despite the magnitude of the shock, available data so far point to sustained start-ups creation, no wave of bankruptcies, and an impulse to innovation in most OECD countries. However, government support has been less effective at reaching the self-employed, smaller and younger firms, women, and entrepreneurs from minorities. Countries were not all even in their capacity to support SMEs either. As vaccine campaigns roll out and economic prospects brighten, governments have to take the turn of a crisis exit and create the conditions to build back better. The OECD SME and Entrepreneurship Outlook 2021 brings new evidence on the impact of the crisis and policy responses on SMEs and entrepreneurs. It reflects on longer-term issues, such as SME indebtedness or SME role in more resilient supply chains or innovation diffusion. The report contains country profiles that benchmark impact, factors of vulnerability, and sources of resilience in OECD countries, and give a policy spotlight on liquidity support and recovery plans for SMEs.
Austria

Figure 6.4. COVID-19 impact on business dynamics and policy responses in Austria

Policy spotlight

Key measures to support SMEs and entrepreneurs' liquidity include: EUR 10 billion in personal and corporate income tax deferrals; EUR 5.4 billion in loan guarantees for SMEs (from 80% up to 100%); EUR 2 billion Federal Hardship Fund for micro-entrepreneurs and freelancers to cover living costs through grants; EUR 12 billion Corona Worktime Reduction to reduce working hours and pay.

Measures at state level complement federal support.

Structural measures have also been implemented:
- Austrian Recovery and Resilience Plan 2020-26 with a package of measures related to the green and digital transition, a focus on SME digitalisation, and smart, sustainable and inclusive growth.
- EUR 5 billion Investment bonus for corporate investments in ecologization, digitalisation, and health/life sciences.
- AplusB programme to support technology start-ups with high growth potential.
- To support SME digitalisation: SME.DIGITAL that provides consulting services and grants for up to 30% of the investment costs; the SME.E-Commerce initiative that supports SME online trade through grants (up to 20% costs), and a qualification offensive to develop competencies in companies and support knowledge transfer and cooperation between science and industry.

National SME and entrepreneurship policy framework

Since 2019, the Austrian national SME policy is outlined in the annual report “KMU im Fokus” (Report on the situation and development of small and medium-sized enterprises in Austria), authored by the Federal Ministry for Digital and Economic Affairs. The report replaces the previous Mittelstandsbericht and is discussed annually in parliament, i.e. it also fulfills a monitoring function, notably with regard to the implementation of new EU SME Strategy structure and methodology.

Overall, the policy document contains almost 40 initiatives, mostly focused on measures to cushion the economic impact of COVID-19, as well as broad measures to stimulate the economy, but also targeted ones on entrepreneurship, SME access to finance, skills and innovation. Priority areas of SME policy in Austria are amongst others digitalisation of SMEs, "training and skills" and "smart regulation".

Source: Oxford stringency Index (April 2021); and national sources (see country-specific references and definitions).

StatLink ² https://doi.org/10.1787/888934250383

OECD SME AND ENTREPRENEURSHIP OUTLOOK 2021 © OECD 2021
Figure 6.5. Factors of SME&E structural vulnerability in Austria

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**Size of the MSME and entrepreneurs sector**

- Austria has more of larger and more productive SMEs, the sector contributing to 69% of employment and 63% of value added (OECD average, 68% and 59%).

- ...the country also counts less self-employed (12.2%).

---

**Economic exposure to lockdowns and business disruptions**

- Austria was more exposed to business disruptions during the pandemic: the most affected economic sectors account for 41.7% of total employment (OECD average 39.7%).

- **Salzburg** has about 32% of jobs at risk, the highest share in the country, especially due to the regional concentration of wholesale & retail trade, and accommodation & food services.

- **Before COVID-19**, tourism accounted for 6.4% of total employment in Austria (OECD 6.7%).

---

**International trade and GVC exposure**

- Austrian SMEs are exposed to disruptions in GVCs being more engaged in international trade, both as exporters and importers...

- ...Opportunities stemming from GVCs may also help them rebound, though.

---


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https://doi.org/10.1787/888934250402
Figure 6.6. Sources of SME&E resilience in Austria

Digital readiness

SMEs in Austria are engaging in the digital transformation as most of their peers in other OECD countries.

Cash reserves and government liquidity support

42% of SMEs in Austria have been able to access and combine government support (as compared to 33.6% in the OECD).

Non-repayable forms of support have been the most popular (36% of SMEs).

Entrepreneurship regulatory framework

The regulatory framework for entrepreneurship in Austria is on par with the OECD median, although regulations could be further simplified and evaluated.

Innovation skills

Austria achieves a fair balance of innovation skills on the labour market, although increasing demand on computer and electronic skills could hamper the recovery.


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https://doi.org/10.1787/888934250421

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**Country notes**


**Country-specific sources**

References


OECD (2021), *SDBS Structural Business Statistics (ISIC Rev. 4)*,


OECD (2021), *Timely Indicators of Entrepreneurship (ISIC4)*,


Annex A. Sources and definitions of benchmarking indicators

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<td>Share of SMEs in total employment (%)</td>
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<td>OECD Annual Labour Force Statistics database</td>
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<td>OECD (2021), Regional Outlook 2021 based on OECD Job Creation and Local Economic Development 2020: Rebuilding Better</td>
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<td>OECD Tourism database</td>
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<td>OECD Trade by Enterprise Characteristics database</td>
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<td><strong>Direct contribution of tourism in total employment (%)</strong></td>
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https://ourworldindata.org/grapher/covid-stringency-index

OECD Timely Indicators of Entrepreneurship (TIE) database

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OECD Structural and Demographic Business Statistics database (SDBS)


OECD (2021), Regional Outlook 2021 based on OECD Job Creation and Local Economic Development 2020: Rebuilding Better

OECD Tourism database

OECD Trade by Enterprise Characteristics database
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<td>Share of SMEs in trade value, imports, long GVCs, 2015 or latest year available</td>
<td>Calculations based on OECD Trade by Enterprise Characteristics database</td>
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<td>Foreign affiliates (FAs) sourcing locally (%)</td>
<td>Sourcing structure of foreign affiliates, percentage of foreign affiliates’ sourcing that comes from domestic multinationals (MNEs) and non-MNEs, total economy, 2016.</td>
<td>OECD Analytical AMNE database</td>
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<td>FAs output used locally (%)</td>
<td>Output use of foreign affiliates, as a percentage of the output of foreign affiliates that is used by domestic MNEs and non-MNEs for intermediary consumption, total economy, 2016</td>
<td>OECD Analytical AMNE database</td>
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**Sources of resilience**

- **Digital readiness**
  - Broadband connection (%): Percentage of small businesses [10-49] with a broadband download speed at least 100 Mbit/s (%). All activities in manufacturing and non-financial market services. Data refer to 2020 or latest year available. Distribution along a stylised curve of adoption (OECD, 2021).
  - Use of social media (%): Percentage of small businesses [10-49] using social media (%). All activities in manufacturing and non-financial market services. Data refer to 2019 or latest year available. Distribution along a stylised curve of adoption (OECD, 2021).
  - Cloud computing (%): Percentage of small businesses [10-49] purchasing cloud computing services (%). All activities in manufacturing and non-financial market services. Data refer to 2020 or latest year available. Distribution along a stylised curve of adoption (OECD, 2021).

- **Cash reserves**
  - SME profit, as a share of production (%): Gross operating surplus of firms with less than 250 employees as a percentage of their production. Industry (excluding construction) only. Data refer to 2018 or latest year available. Distribution along a stylised curve of adoption (OECD, 2021).

- **Liquidity support**
  - SMEs receiving government support, total (%): Percentage of SMEs with a Facebook page that received government support, December 2020.
  - SMEs receiving government support, total (%): Percentage of SMEs with a Facebook page that received government support in the form of grants or subsidies, December 2020.
  - SMEs receiving credits and deferrals (%): Percentage of SMEs with a Facebook page that received government support in the form of credit or deferral of payments, December 2020.
  - SMEs receiving non-financial support (%): Percentage of SMEs with a Facebook page that received non-financial government support (e.g. information, technical assistance or advisory services), December 2020.

- **Entrepreneurship regulatory framework**
  - Simplification and evaluation of regulations (index): Composite index that captures the government’s communication strategy and efforts to reduce and simplify the administrative burden of interacting with the government, including impact assessment on competition, interaction with interest groups and the complexity of regulatory procedures. Scores from 0 - least restrictive - to 6 - most restrictive. Data refer to 2018.

- **Low administrative burdens on start-ups (index):** Component of the composite index “Barriers to domestic and foreign entry”. Covers the administrative burden on joint-stock companies and personally-owned enterprises, as well as administrative burden related to licenses and permits procedures. Scores from 0 - least restrictive - to 6 - most restrictive. The
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<td>Low cost of starting a business</td>
<td>Captures the cost (in % of income per capita) for starting a business, registering property and to prepare, file and pay taxes. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (the higher the index performance is, the lower the cost). Data refer to 2019.</td>
<td>World Bank Doing Business 2020 – Starting a business</td>
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<td>Strength of insolvency framework (index)</td>
<td>Measures the insolvency law de jure. Calculated as the sum of the scores on 4 other indices: i) commencement of proceedings index (with a range of 0–3), ii) management of debtor's assets index (0–6), iii) reorganization proceedings index (0–3) and iv) creditor participation index (0–4). The strength of insolvency framework index ranges from 0 to 16, with higher values indicating insolvency legislation that is better designed for the rehabilitation of viable firms and the liquidation of nonviable ones. Data refer to 2019.</td>
<td>World Bank Doing Business 2020 – Resolving insolvency</td>
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<td>Low cost of resolving insolvency</td>
<td>Resolving insolvency (cost, % of estate). Indicator on the actual cost (in % of estate) to close a business. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (the higher the index performance is, the lower the cost). Data refer to 2019.</td>
<td>World Bank Doing Business 2020 - Resolving insolvency</td>
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<tr>
<td>Innovation skills</td>
<td>Perceived entrepreneurial capabilities among adult population (%), as a percentage of 18-64 population (individuals involved in any stage of entrepreneurial activity excluded) who believe they have the required skills and knowledge to start a business. Scoring from 0 (low) to 100 (high). Data refer to 2019 or latest year available.</td>
<td>Global Entrepreneurship Monitor (GEM) - Adult Population Survey</td>
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<td>Computer and electronics skills</td>
<td>Skills shortage or surplus of computer and electronics skills, i.e. knowledge of circuit boards, processors, chips, electronic equipment, and computer hardware and software, including applications and programming. Positive values indicate skill shortage while negative values point to skill surplus. The larger the absolute value, the larger the imbalance. Results are available on a scale that ranges between -1 and +1. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (the higher the index performance is, the lower the imbalance in skills use and availability in the country). Data refer to 2015.</td>
<td>OECD Skills for Jobs Database</td>
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<td>Adaptability/ flexibility skills</td>
<td>Skills shortage or surplus of adaptability/flexibility skills. Positive values indicate skill shortage while negative values point to skill surplus. The larger the absolute value, the larger the imbalance. Results are available on a scale that ranges between -1 and +1. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (the higher the index performance is, the lower the imbalance in skills use and availability in the country). Data refer to 2015.</td>
<td>OECD Skills for Jobs Database</td>
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<tr>
<td>Complex problem solving skills</td>
<td>Skills shortage or surplus of complex problem solving, i.e. developed capacities used to solve novel, ill-defined problems in complex, real-world settings. Positive values indicate skill shortage while negative values point to skill surplus. The larger the absolute value, the larger the imbalance. Results are available on a scale that ranges between -1 and +1. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (the higher the index performance is, the lower the imbalance in skills use and availability in the country). Data refer to 2015.</td>
<td>OECD Skills for Jobs Database</td>
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<tr>
<td>Practical intelligence for innovation</td>
<td>Skills shortage or surplus of practical intelligence for innovation (workstyle). Positive values indicate skill shortage while negative values point to skill surplus. The larger the absolute value, the larger the imbalance. Results are available on a scale that ranges between -1 and +1. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (the higher the index performance is, the lower the imbalance in skills use and availability in the country). Data refer to 2015.</td>
<td>OECD Skills for Jobs Database</td>
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References for this country profile and annexes available on the link below.

Please cite this chapter as:


DOI: https://doi.org/10.1787/1fd332c9-en

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